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P R O C E E D I N G S

OF THE

SELECT COMMITTEE APPOINTED BY THE
LEGISLATURE OF THE PROVINCE OF ONTARIO,
TO ENQUIRE INTO AND REPORT UPON MATTER
IN CONNECTION WITH TOLL ROADS IN THE
PROVINCE.

Mr. J. P. Robarts, Q.C., Chairman,
Presiding.

Mr. D. J. Collins, Secretary.

VOLUME III

Tuesday, October 18th, 1955.

Red Bank, N.J., (U.S.A.)

R. C. Sturgeon,
Official Reporter,
Parliament Buildings,
Toronto, Ontario.

T H I R D D A Y

Red Bank, New Jersey,
Tuesday, October 18, 1955,
1:30 o'clock, p m

- - - - -

The further proceedings of this Committee
re-convened pursuant to adjournment.

PRESENT:

J. P. Robarts, Q C , Chairman,

Presiding

Messrs. Yaremko, Q C ,

Root

Sandercock

Mackenzie

Jolley

Auld

Manley

MacDonald

Mr. D.J. Collins, Secretary.

APPEARANCES:

Mr. W.J. Fulton, Director of Planning,
Ontario Department of
Highways.

Mr. W.R. Macnee, Traffic Engineer,
Ontario Department of
Highways.

Mr. D.L. Tonti, Executive Director))	
Mrs. Kathryn White, Chairman)	
Mr. F.T. McGuire, Comptroller)	New
Mr. Harold Giffin, Chief Engineer)	Jersey
)	Parkway
)	Authority
Mr. Ross Volkes, Superintendent)	
of Maintenance)	
Mr. Milton Levy, Director of)	
Public Relations)	

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MR. TONTI: While you gentlemen are thinking of some questions, I want to explain why we have an office in a building of this kind. This formerly was the Roberts Estate, and the parkway was constructed right through the estate, and we condemned the entire property, and retained this building. This has been very serviceable to us, but very soon, in order to consolidate all our offices, we will vacate this building, and join the rest of our force in Red Bank. We are going to take over another floor in the bank

building there, and have most of the administrative personnel in one building.

Our future plans call for the construction of an administration building at Telegraph Hill.

We are very proud of the fact that we have here the only Authority in the nation, where the Chairman of the Board of Commissioners, is a woman, and a very gracious and capable woman, and I think at this time we should hear from Commissioner White.

MRS. KATHRYN WHITE (Chairman): Thank you, Mr. Tonti.

We are extremely glad to welcome you here, and to have the pleasure of showing you our parkway, of which we are very proud, and I think justly so.

It is a new parkway, as you probably have been told, and the main part of the road has been in operation only since the 1st of July, in its entirety. As far as our results are concerned, and the use of the parkway, we are still feeling our way along, and finding our travelling public coming to it gradually, and creating enthusiasm and interest.

We are, as you know, a parkway which runs north and south in New Jersey, parallelling the shore. It affects the resort areas, and makes them far more accessible to those in northern New Jersey, and other nearby States.

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MRS. KATHRYN WHITE (Chairman): Thank you.

Mr. Tamm.

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and creating enthusiasm and interest.

As you know, a parkway which runs

north and south in New Jersey, paralleling the shore,

it attracts the resort areas and makes them far more

accessible to those in northern New Jersey, and other

neighboring States.

We feel that the design of the road - which is Mr Giffin's responsibility - provides many of the newest methods and safeguards, and we have what we consider to be the safest road in the country at this time.

We feel we are making great progress, but there is always room for more changes and more improvement, but we are very encouraged by the record we have today of safety on our parkway, as well as providing an interesting ride , as well as a beautiful one.

We hope you have enjoyed the little you have seen, and we want to try and answer all the questions we can.

I understand you are considering building a toll road in Canada, and anything we can do to assist you, either through our mistakes, or some of the things we feel have been particularly successful, we would be very glad to have you profit by them.

MR. TONTI: This gentleman (indicating) is Mr. McGuire, our Comptroller, who will answer any questions on financial problems. Mr Giffin is our Chief Engineer, and we regard him as the "Daddy of the Parkway", and, if I may suggest, you might confine your questions to discussing anything of an engineering character, and then Mr. McGuire, when he returns, will answer questions about financing.

THE CHAIRMAN: I got some of this from Mr. Volkes on the way down, and I think it is very interesting, such as the number of accesses which you have, and the way in which your tolls are set up; in other words, that you do not operate a closed system.

MR. GIFFIN: That is a very interesting thing. This map (indicating) shows the outline of the parkway, and the eastern side of New Jersey.

At the south is "No. 12" which was a re-located portion of what was then Route No. 4. That was built by the Highway Department before there was a Parkway Act and it was built as a divided roadway, but was inadequate, and needed to be re-located.

Then we came a little north to Toms River and we built this as part of Route No. 4, as the Toms River by-pass, and then we later incorporated it into the parkway.

This red part (indicating) Nos. 5 and 6, were built as parkway. Those two (indicating) were built as freeways, but sections 5 and 6 were built as a sub-section of the parkway by the State Department.

Those were built with Federal assistance, under agreement that they should not be toll roads, but maintained by the State of New Jersey.

They were not getting the parkway built very fast; the money was not coming in rapidly, and

the Governor and the legislature took the step, and gave authority to a separate body to build the road as a toll road. However, these red sections (indicating) still remain as free roads.

You will notice these sections in red (indicating) a toll road, then a free road, a toll road, a free road, a free road and a toll road.

We have 9 separate sections of road, which we have to treat as separate toll roads. For instance, if a man got on at this red section (indicating), unless we had a barrier here (indicating), he would not have paid any toll at all. So we have to have the barrier at each end.

Since we had to have 5 of them, we would have had to have, theoretically, 10 barriers, one at each end, to take toll, and then they would ride on the free sections here (indicating).

Actually we have 9 barriers, because at section 13 we chose to ignore it as a toll road, as it does not earn enough to pay toll, so we do not try to collect any toll on it. Had we treated this as a closed system, we would have had two stops for every vehicle. As it is now, we have barriers at Bergen, Ocean, Union, Ryerdon, Ashbury, Elizabeth, New Gretna, and Hilton.

We also have tolls on the ramps at Hilton,

Lakewood, Ocean City, Shewboro, Monmouth, Irvington, Waltham and Passaic, and there are 9 barriers.

In our legislation we are not allowed to charge toll for traffic which has its origin and destination between these two points (indicating), which are two streets in Essex County, Springfield Avenue, and Belleville Avenue, which is about here (indicating). That is another free section in there (indicating).

Then this (indicating) is the closed system.

You are all familiar with the turnpikes. They have these over-passes, and they require one or two extra approaches, and quite a lot of steps to put the toll gates in, and get the ramps going. They cost about \$2 million apiece.

To get the distribution on this road, we would have had a greater number of them, but they would be long, and the cost was quite high, so by putting in a barrier system, we can avoid those costs; for instance, a man can get on in here (indicating), and pay toll, and get off at this point down the line (indicating) without paying another toll.

So we have over 200 entrances and exits, and on a closed system, it would have cost us a great deal. For instance, the New Jersey turnpike has the equivalent of about one-third of that, although they

are combined in the closed system. They have four turn-offs for the most part, and two turn-offs at some other points, and altogether there are 64 on and off turns, whereas we have over 200.

The question of stopping to pay toll comes in there. A man starting out at the north end, to go to the south end, would have to pay toll 9 times, whereas, on the turnpike, he only has to pay once.

But every one who uses the turnpike stops twice. They pay toll when they get off, and they get a ticket when they get on. Perhaps I should have said that the other way around. But there are two stops involved in every trip on the turnpike.

But we have so many vehicles which go but a short distance, and the average stops on the toll road is about $1\frac{1}{2}$, so actually a man could go from one end to the other, but has more stops than on the turnpike, but the average amount of stops is much less.

Had we put in a closed system, we could not have done as with the turnpike, because this is a continuous toll road from one end to the other, and, ignoring the south section, we have four of them.

Have I answered your question, or did I make it all the more muddier?

THE CHAIRMAN: You are carrying a great deal of local traffic, and you have to move it on

and off rapidly; in other words, it is short distances perhaps, rather than long distances.

MR. TONTI: There is an interesting proposition -

MRS. WHITE (Chairman): The same thing is holding true on the turnpike. They find a majority of their riders are short hauls, and not people going the entire length.

MR. GIFFIN: Here is another thing in these zones in the area you came through today.

To get the distribution there - almost one-half of our traffic originates in that 10 miles, and to get interchanges of the closed types in there would be almost impossible, because each one of them would take up several acres, and it would have ruined the thing if we had done it as an ordinary turnpike. You would have had one at each end of the distribution system, and you never could have distributed the traffic with that type of system.

MR. TONTI: There is a by-product to which I shall make reference, and that is the driver ignosis. There is no doubt in the minds of a great many people in the toll road business, that the very fact that the driver has to stop a number of times on the long parkway, contributes a great deal towards destroying the bad effect of driver ignosis. He has to talk to the

toll collector, and convey a coin, and start his engine, and then go on. That breaks up enough of the driving so that he probably can be a little more alert, than on a closed system, where they run uninterruptedly for a considerable distance, when he is liable to suffer the ill effects of driver ignosis.

MR. AULD: Have you had time enough to get any figures on accident causes along the line of which you have just spoken?

MR. TONTI: No. Mr. Levy is the head of our Safety Committee, and the research so far is not productive enough to say anything as to the accident features of the whole road.

MR. ROOT: What was the reason for not tolling the whole road? Part is free, and part is toll?

MR. GIFFIN: We would have to get an Act of Congress and the legislature of the State to take them over and incorporate them in the system. As a matter of fact, we have a toll collection - in fact, we have tolls at each end. We have our barriers at each end. However, there is a great deal of traffic which can get on at this end, and avoid this toll, and get off here (indicating), and there is a great deal of free traffic in there.

It would cost about \$40 million to buy it, and we did not think we could get enough revenue to

justify buying it. Some time we may be buying it. I do not know.

MRS. WHITE: We would have to repay the Federal Government the amount they put up.

MR. GIFFIN: Yes. There is no real reason for buying it at this time.

MRS. WHITE: I think we all feel it would have been more satisfactory in the beginning, if they had not built this section first, but if we had built a complete toll road.

MR. TONTI: In the legislation itself there is provision - for example, on this section right here, there is provision for it being a free section. That is described specifically in the legislation. It has to be a free road between Belleville Avenue and Springfield Avenue. The legislation requires that.

MR. ROOT: How did the legislators justify tolls for one group of people, and the rest of them go free?

MR. GIFFIN: There was a great deal of compromising at the time. I was around when the legislature took action on that, and while this whole thing was developing There was a great deal of "hemming and hawing" and that is what they came to as a compromise, but it has worked out very well.

MRS. WHITE: There was one little section,

known as the "Orton Parkway" which was supposed to be a free parkway -

MR. GIFFIN: There was about 3 miles which carried from 9,000 to 13,000 vehicles, but this actual free section is about 6 miles, and is carrying about 8 times the amount of traffic.

MR. TONTI: In order to get the bill passed both the delegates from that County were indispensable as far as getting the legislation was concerned, so a part of this was designed to guarantee a vote in the legislature.

MRS. WHITE: Some of you may have heard of politics before.

MR. YAREMKO, Q.C.: What has happened to traffic on your No. 4? That was the previous road which the people used.

MR. GIFFIN: We have no count on that lately. There has been probably a lot of traffic taken off of No. 4. However, the parkway has for the most part generated its own traffic, because it was quite a job getting down, and they could use the old roads to get to the sea shore points.

Now it is comparatively easy. We have "broken the damn" sort of, and it is much easier.

In some places there is almost as much traffic as there was on the old road. That seems to

be the history. But I dare say it is not more than one half of what it was two or three years ago - right now.

MR. AULD: What was the over-all length?

MR. GIFFIN: 164 miles

MR. AULD: Did you have a firm of engineers make a survey?

MR. GIFFIN: You mean before the legislation was passed?

MR. AULD: Yes, somebody must have thought it was necessary.

MR. GIFFIN: It was a political decision, the question of whether it was feasible to build it all as a toll road, which was a question upon which we thought we had to get engineers' advice.

The law authorized the Authority to build the parts they considered feasible, and they found that all of it was feasible.

THE CHAIRMAN: May I ask the figure of your automobile registration in the State?

MR. TONTI: Correct me if I am wrong, but I think 2 million registrations, and 2,400,000 drivers.

MR. LEVY: I think that is close to it. I do not know the exact figures, but that is it, in round figures.

MR. TONTI: 2 million registrations - which

means vehicles - and 2,400,000 licensed drivers.

THE CHAIRMAN: What is the population density along the parkway?

MR. TONTI: It varies considerably.

THE CHAIRMAN: I think we are interested in a metropolitan area.

MR. GIFFIN: There are one million people living within 3 miles.

THE CHAIRMAN: That is a free section?

MR. GIFFIN: Yes.

THE CHAIRMAN: How many cars do you carry per day?

MR. GIFFIN: In the heaviest points, it will run from 50,000 to 60,000.

THE CHAIRMAN: Per day?

MR. GIFFIN: Yes.

MRS. WHITE: We do not ever count the number of cars which use the full length of the parkway. Our counts are at each barrier, and how far they travel before they come to the barrier, and how far they travel after they leave it, we do not know. We do not know, but that some travel more than once; we do not know how many cars might be reported four times.

THE CHAIRMAN: How many 25¢ pieces do you get?

MR. TONTI: We averaged \$27,500 last week

THE CHAIRMAN: You are running over 100,000 cars per week?

MR. TONTI: Yes.

MRS. WHITE: In the summer months, it is over that.

THE CHAIRMAN: You say this road is encouraging its own traffic? Is that what they call "induced traffic"?

MR. GIFFIN: Yes. There is quite a myth about toll roads, but they relieve other roads of congested traffic, and make the other roads that much more useable, and I think the experience in New Jersey is that the toll roads have generated so much new traffic and the other roads have remained pretty much the same.

THE CHAIRMAN: Have you not tied it in with planning and zoning? I noticed all the way down there were new housing projects.

MR. TONTI: We had no connection with that.

MRS. WHITE: We feel we have an interest in generating that building, because it will make commuting more easy.

THE CHAIRMAN: Mr. Volkes and I were talking about it coming down, and also the question of industry.

MR. TONTI: At Toms River there is a project contemplated now which will be a city of 20,000 people, with hospitals and all the facilities, and industrial

areas. It is all laid down. The New York Times had a great story on it, and they stated it was because of the parkway, which made this area much easier to get down to.

THE CHAIRMAN: Is there anything there now?

MRS. WHITE: A lot of open space.

MR. GIFFIN: And transportation.

MR. JOLLEY: Nobody is particularly planning it now?

MR. TONTI: Oh, no. They have all the land now.

MRS. WHITE: And a land developer.

MR. JOLLEY: Was industry ready to go in?

MR. TONTI: And homes will be built to take care of the people in industry.

MR. JOLLEY: The planning was made for housing and industry?

MR. TONTI: Yes.

MR. VOLKES: I think there is ample protection around the interchanges and rights-of-way, but we have no control over the other space.

MRS. WHITE: The only thing we found was we could not prevent signs. We do not care for bill-board advertising, and so forth, and we decided it was coming a little closer than we liked to see it, but that is because we could not get sufficient right-of-way.

MR. AULD: You have no control over that?

MRS. WHITE: Nothing but our own right-of-way.

MR. YAREMKO, Q.C.: Madam Chairlady, where are we now?

MRS. WHITE: Right in the middle of No. 7 there (indicating).

MR. MacDONALD: That purple line in the turnpike (indicating)?

MR. GIFFIN: It is a pink line - we think it is. These grey lines (indicating) are State highways.

MR. YAREMKO, Q.C.: Actually the parkway serves two purposes, (1) use by the local commuters, and, (2) opening up this area?

MR. TONTI: Yes. The most seasonal influence is on the southern part of the parkway, which serves the resort area, while the northern part takes care of the commuters.

MRS. WHITE: More and more the resort area is becoming an all-year-around area. Of course, you will still have a big group of summer visitors.

It is well to have people commuting to New York and Philadelphia, but there are many people working in the Riordon area, and they can easily live further south, and commute in that way.

I am sorry, but I must ask to be excused,

as I have another important meeting which I have to attend this morning. I would very much like to be able to stay and listen to your discussion, but unfortunately I have this other appointment.

THE CHAIRMAN: We appreciate your coming for the time you have, Mrs. White.

---Chairman White retires.

MR. ROOT: I am interested in one thing. You are talking about the number of people who are building developments along your road, such as factories, and so forth, and are interested in revenue. Why do you not allow trucks on this road?

MR. TONTI: The first answer is that the road will not permit it, and the legislation will not permit trucks from here to the north end. Trucks are allowed from here south to the area which is being developed. There are adequate secondary roads to take care of the trucks for the resorts, and so forth. There are several service roads.

The legislation dictates it, and it says no trucks on the parkway north of Lakewood, but south of Lakewood we allow everything.

North and south we have certain restrictions on buses, and it is limited to the really long-distance

buses only.

In the summer time, when our traffic is the heaviest, we limit the use of the parkway to the chartered buses during week days. They are prohibited entirely at the week-ends.

MR. JOLLEY: Was that to protect the parkway from heavy traffic?

MR. TONTI: The intent of the legislature was to subscribe to the feeling of all our women's clubs, and what not. I think it was the feeling of our Chief Engineer who designed the parkway, that the real meaning of the term excluded commercial traffic, which was limited to light traffic, scenic views, and so on. In other words, we feel a turnpike should be distinguished from a parkway in that section.

MR. JOLLEY: You were convinced there would be enough light traffic to warrant the expenditure.

MR. TONTI: Yes, and, incidentally, it has proven to be the case. We have had sufficient light traffic on the northern end of this parkway, where trucks are prohibited, to see that cars can support a parkway of this kind.

MR. GIFFIN: This is not a normal truck route anyway. The normal route is the turnpike east and west, across the State at the north end. There is not too much industry down south, and we think the other roads

are adequate to take care of the traffic. The local people wanted the trucks off the streets, and particularly they wanted the buses on, because they wanted to get north on the freeway.

Then the legislation was passed. There was a Parkway Bill which prohibited trucks and buses everywhere, but this particular section (indicating) legislated as a freeway, and they would allow trucks and buses, but keep them out of the village of Toms River. That was legislated as a freeway - that No. 12 there (indicating).

For the rest of the group there was no legislation - well, I will take that back. The whole County was legislated as a freeway ; Ocean County was legislated as a freeway. But in between, from here to here (indicating) there was never any legislation other than the parkway, and north of it there was never any legislation other than a parkway. Of course, these things grow.

MR. ROOT: If I could ask another question; since trucks are prohibited from your toll roads, are your tolls higher or lower compared with other turnpikes?

MR. GIFFIN: You mean tolls for passenger cars?

MR. ROOT: Yes. If trucks are prohibited,

would you have to charge more or less?

MR. GIFFIN: Our tolls would run, for the 164 miles, about $1\frac{1}{2}\phi$ per mile. Trucks will run - depending on the size; trucks and buses, of course - they have higher rates. There is a higher rate on buses in the northern end, higher than in the southern end, because we wanted them in the southern end to develop the territory, but we did not want them on the northern end, so they are twice as high in the northern end as in the southern end.

The truck rate is comparable to truck rates on other roads, and there is not enough truck traffic to make it worth while.

MR. ROOT: My question was, are your car rates higher than on other parkways, because you have no trucks on the road?

MR. GIFFIN: I do not think so.

MR. LEVY: Almost identical with the New York Thruway. The rate for passenger cars from this point to this point (indicating) - well, that is not fair, because I am including the free sections; but taking the mile rate for passenger cars at this point (indicating), it runs to a little more than 3ϕ , but it is about 1ϕ over the whole thing.

MR. JOLLEY: \$1.75 for the full 118 miles?

MR. TONTI: The passenger rate does not increase

on our parkway by virtue of the exclusion of trucks.

MR. ROOT: You can build a cheaper construction, without the heavy traffic?

MR. GIFFIN: It is not as heavy as it would have been if we had anticipated the traffic as on a turnpike. A turnpike carries very heavy truck traffic. They have there $7\frac{1}{2}$ inches of Macadam.

MR. MANLEY: How did you finance this road? Did you sell bonds?

MR. TONTI: That is right.

THE CHAIRMAN: I wonder if we could ask Mr. McGuire to describe the bond issues, and any advantages given by the State. Could he start right from the beginning?

MR. MCGUIRE: The original financing was done on a temporary basis. We borrowed some \$17 million from local New Jersey banks, but we had to go to New York to get another \$11 million.

THE CHAIRMAN: When you say "we", you mean the Authority?

MR. MCGUIRE: Yes. Then we had a separate Act to float guaranteed bonds, approved by the voters of the State. So we had to wait for a referendum.

The first \$385 million were guaranteed State bonds at an average cost of 2.85%; something like that.

However, we needed more money, and we put out

a third issue, which were general revenue bonds; the State did not guarantee them at all, and they went out at about $3\frac{1}{4}\%$.

THE CHAIRMAN: They are a first mortgage on the revenue?

MR. McGUIRE: No; the first issue was *pari passu*. There was a difference in the rate for two reasons; one was that the money market changed, and, secondly, the guaranteed bond.

MR. JOLLEY: The guarantee helped you with the first two?

MR. McGUIRE: That is right.

MR. JOLLEY: Supposing the thing failed; have they priority over the guaranteed bonds?

MR. McGUIRE: Yes.

MR. YAREMKO, Q.C.: If they had been guaranteed, they would have gone better?

MR. McGUIRE: Our bond division permitted the issuance of prior lien bonds.

THE CHAIRMAN: You borrowed \$305 million that way. Has the entire financing been done by bond issues?

MR. McGUIRE: The outstanding notes at the time the first \$100 million at 2.85 was taken down - part of it was used to retire the bonds. We have nothing outside the State bonds.

MR. YAREMKO, Q.C.: When the referendum was taken, it was -

MR. McGUIRE: About 3 to 1.

MR. ROOT: I am interested in how you can justify giving some people a free road, and some toll roads? Did you have the same vote right across the State?

MR. GIFFIN: Well, they can ride in this area (indicating) free, to here (indicating).

We had a big potential, and the people in this County where they ride free will pay more than one-half the cost of the road anyway, so while they can ride pretty close to home, at least one-half of our revenue - and probably more - comes from that group of people.

MR. YAREMKO, Q.C.: The people here are paying for the cost, and when you boil it down, they are really paying the total cost?

MR. GIFFIN: If it had been a single toll road, it could not have been financed as it was.

MR. YAREMKO, Q.C.: Your concentration is in No. 3?

MR. GIFFIN: Yes, and as you go farther down, the thing becomes less self-supporting.

MR. VOLKES: I think, in answer to the question of how the people felt, I might say that while the

greatest number up in that area (indicating) might have voted in favour of it, proportionately from Monmouth the vote was more advantageous, because they had more to gain. The percentage in favour of the parkway was far greater in the south than in the north.

THE CHAIRMAN: Is it your ultimate scheme to amortize these bonds, and turn it over as a free road?

MR. TONTI: That will be in the hands of the Government, 35 years hence.

MR. YAREMKO, Q.C.: Is there anything in the statute now?

MR. GIFFIN: In the statute, we have to give as much free intra-county traffic as possible, consistent with the self-liquidation of the project, and which, if carried to its logical conclusion, then becomes gradually a free road as we go along, and we only collect enough to operate.

THE CHAIRMAN: You had some preliminary surveys made?

MR. GIFFIN: Yes.

THE CHAIRMAN: Did you find that your operation is following that forecast? In other words, were they able to assess the induced traffic? That is a point which interests me. I wonder if in the prelim-

inary survey they did assess it, and did they assess it accurately?

MR. GIFFIN: Not too accurately. For instance, in this toll area and this one (indicating), it was running higher than their figures, but a good many of them were running lower, so they could not hit it on the nose with respect to each one, but they will get it fairly close over a year's period for the whole thing.

MR. YAREMKO, Q.C.: How old is this parkway?

MR. TONTI: It was fully opened on July 1st. The best answer to your question can be found by studying the "turnpike opening," in the envelope.

I think the same firm made the traffic study prior to building the road, and when the road was completed, it was found that there was a great deal more traffic than was estimated and they were, therefore, not able to measure the induced traffic factor.

THE CHAIRMAN: As long as they are always low, you have a safety valve.

MR. TONTI: I think they go out of there way to be low, lest the bankers examine it, and I guess it is better to be low than high.

MR. McGUIRE: They projected for a 6% increase in traffic, but the chances are that will be exceeded.

MR. TONTI: I have here a release by the Department of Public Information, which was released on September 20th, 1949, in regard to the opening of the New Jersey Turnpike, which, if it is of any interest to you, I will be glad to hand you.

THE CHAIRMAN: I think it may be helpful. It may be included in our record.

---Whereupon the release in question was admitted as part of the record, and is in words and figures as follows, to-wit:

"New Jersey's new Turnpike which, according to engineers, will be the "last word" in modern highways, is scheduled to open to the public late in 1951, Paul L. Troast, Chairman of the New Jersey Turnpike Authority, announced today.

This opening date is based on reports of engineers who completed their preliminary engineering studies and presented their final reports to the Authority in the record time of 120 days. Covering such essential data as routes, construction costs, traffic and revenues and other necessary facts, these reports also indicate that the Turnpike opening in November, 1951, will establish a record for construction of a project of this size.

With these reports in hand, the Commissioners have taken immediate steps to finance the project by the sale of revenue bonds to private investors. When the bonds are sold, actual construction will be undertaken promptly, added Mr. Troast. Meanwhile detailed engineering plans are in preparation.

The new Turnpike, which will be 118-miles long, will be the most modern all-weather highway that latest techniques, advanced theories and fullest experience can produce, said Mr. Troast. It will supply an express traffic artery for the safe and rapid movement of vehicular traffic throughout the length of the State in a manner heretofore impossible of attainment.

Actually, there is no highway of equivalent length within the United States to compare with the new Turnpike in its direct connection with tremendous concentrations of people, buildings, industries, wealth, commercial activity and highway traffic movements.

Starting at Deepwater, N.J., where a direct connection will be made with the Delaware Memorial Bridge now under construction, this Turnpike will roughly parallel the Delaware River, passing close to the Philadelphia-Camden areas and thus

serving the industrial areas of Elizabeth and Newark. From there it will connect with routes leading to the Holland and Lincoln Tunnels, and the George Washington Bridge. Access throughout the full length of the highway will be provided to centers of population and industry.

The Turnpike will connect with many public roads now leading to the State's renowned sea-shore resorts to which great volumes of tourist traffic are attracted each year. It will also serve the State's rich farm lands in quicker transportation of the major part of New Jersey's agricultural products by truck to city markets in New Jersey to the New York and Philadelphia metropolitan areas.

As projected, the Turnpike will provide direct connections to the cities of Wilmington, Philadelphia, Camden, Trenton, New Brunswick, Elizabeth, Newark, Jersey City, Passaic, Paterson and all of the many other communities in the State as well as to those in New York, Pennsylvania and Delaware.

Since the Turnpike route will traverse vast stretches of open land, the need for removal, or demolition, of buildings will be surprisingly small. Actually, the number of dwelling units

affected will average about two and a half for each mile over which the highway will travel. The policy to be used by the Authority in such removals and demolition will be equitable to all owners of properties. The latter will be paid full market value and in addition, they will have the privilege of repurchasing buildings at reasonable prices with an allowance for the cost of removal. Of the dwelling units about one-third represent structures that can be salvaged by relocation to nearby lands.

To serve the various areas of New Jersey, the Turnpike will have fifteen traffic interchanges along its route where vehicles may enter or leave the highway. Starting at the southern terminus at the Delaware Memorial Bridge in Deepwater, N.J., the first interchange will be at Swedesboro. Two will be in Camden, one in north Camden, and the other in south Camden; one each at Mount Holly, Bordentown, Highstown, and New Brunswick.

All of these interchanges from New Brunswick to the south, and also the southern terminus of the Turnpike, will provide means for access to and from the rich agricultural areas of central and southern New Jersey, offering the products of those areas direct and quick movement into

metropolitan areas. In addition, the movement of traffic between all New Jersey beach resorts and the densely populated areas of North Jersey and New York will be greatly expedited by these interchanges, particularly during heavy holiday movements.

Northward of New Brunswick, there will be seven interchanges. One will be at Route 4 Parkway and another at Route No. 35. These interchanges, together with the Turnpike itself, and a new bridge to be constructed across the Raritan River, will provide an alternate route to that of the Edison Bridge so that the very severe bottleneck through the Amboys during holiday and week-end periods will be very materially relieved. An interchange also will be provided at Elizabeth, one at Port Street, Newark, one at Raymond Boulevard, Newark. Another will be at Secaucus, N.J. for Route No. 3 where direct access will be provided to and from the Lincoln Tunnel to New York with ease, and to points along Route No 3 to the west and to the north. The northern terminus of the Turnpike at Route No 6 will provide access to and from the George Washington Bridge over the Hudson River to the eastward, and to points along Route 6 to the west and northward.

The actual engineering and construction cost of this 118-mile super-highway, including the cost of acquired real estate for the right-of-way, is placed at \$183,925,000 by the engineers. To this figure, for financing purposes, must be added several other items such as a large allowance for contingencies, interest costs and financing costs, administrative and legal costs, and repayment of funds advanced by the State Highway Department. These will bring the total financing required to \$230,000,000.

An amount of \$22,075,000 has been set aside as a reserve for contingencies which may, or may not, occur. These funds, as well as others which are not required immediately, will be invested by the Authority for a short term to yield an interest return and thus offset, to some extent, the interest cost during the period of construction.

The building of the Turnpike, said Mr Troast, will proceed at high speed in order to minimize the amount of bond interest which will have to be paid during the construction period and to permit the production of revenues as promptly as possible. Early in 1950 it is contemplated that contracts will be let for all

grading operation and major bridge foundations. Major bridge superstructure contracts will follow as well as contracts for overpasses, underpasses and similar structures.

The working season of 1950 will be devoted primarily to grading and drainage, and to major foundation construction. In the fall of 1950 the major paving contracts will be let along with contracts for buildings, toll plazas, necessary equipment and small items.

The working season of 1951 will be devoted primarily to paving operations, construction of bridge superstructures and completion of all minor structures, buildings and other features to permit the Turnpike's opening to traffic in November, 1951.

This construction program will be made possible only through the employment of a large number of engineering organizations to whom appropriate portions of the work are to be assigned. In addition all portions of the construction work must be handled in proper sequence with a large number of contractors working on separate portions so that as each contractor finishes his part the other parts are to be completed at the same time, and thus the entire length of the

Turnpike can be placed in operation at one time. The Authority's own staff and the engineers will maintain strict supervision to assure full conformance to the high standards of construction set by the Commissioners.

The engineers' reports estimate that an average of 9,910,000 vehicles will use the Turnpike each year in the first five years of operation. The total revenue from the Turnpike, including that from concessions, for that five year period averages \$10,030,000 a year.

Under the Turnpike Act, the Authority, in financing the project, is empowered to issue bonds with maturities up to 35 years.

Based on projected earnings over the years, however, a bond issue of \$230,000,000 at a conservative rate of interest, could be entirely repaid by 1975, or within a period of 25 years. In the following ten years, a very considerable sum of earnings will have accumulated.

In their estimated revenues for the Turnpike, the engineers have recommended a particular schedule of toll charges. This recommendation is being studied by the Authority and, when agreed upon, the final charges will be adequate to produce the revenue which is calculated by the engineers

to be necessary to finance the project.

With particular reference to the Turnpike's design, Mr. Troast said that it will call for easy curves, long sight distances, and minimum grades throughout (no grade will be more than 3 percent) which will assure the safest of driving conditions at speeds to be established by the Turnpike Authority.

By means of a wide dividing strip between north and south traffic, and other features of modern highway design, traffic movements on the Turnpike will be unhampered by lights, cross traffic or other kinds of hazards. As the finest highway ever built, it will include such outstanding features as 12-foot traffic lanes, 10-foot shoulders on the right side, and five-foot shoulders on the left side.

"Every step will be taken to provide safety, comfort, convenience and satisfaction for motorists" he added, "wide side shoulders will be provided so that disabled or parked vehicles will be well off the travel lanes. Of course, there will be no access to the Turnpike except at controlled points -- the two terminals and the interchanges -- thus avoiding crossing lanes of traffic as well as opposing lines of traffic."

The pavement to be constructed will be of extra heavy duty type and can be expected to serve from twenty to thirty years without major maintenance or reconstruction costs. The major bridges will be of the fixed span type, and they will be high enough to provide clearances for all navigation, thus eliminating delays common with movable bridges when they are lifted to permit passage of vessels.

Restaurant and service station facilities will be provided on the Turnpike. These are designed to be more complete and convenient for motorists than any provided elsewhere to date. There also will be garages for service and repair.

Each restaurant, said Mr. Troast, will contain a main dining room, and two lunch counters. These restaurants will be located 400 feet from the center line of the Turnpike to provide for parking and permit attractive landscaping. Access to these parking facilities will be through properly designed deceleration lanes to avoid conflict with vehicles on the travel lanes proper. Adequate parking facilities will be provided for automobiles and trucks, and there will be stalls designed especially for inter-city buses."

MR. TONTI: I also have here a brief history of the New Jersey Turnpike, which might be of interest to you, Mr. Chairman, and your Committee.

THE CHAIRMAN: That also may be included in the record.

---The history of the New Jersey Turnpike referred to was admitted as part of the record, and is in words and figures as follows, to-wit:

"THE NEW JERSEY TURNPIKE

The "New Jersey Turnpike Authority Act of 1948" was passed by the State Legislature in October, 1948, "to facilitate vehicular traffic and remove the present handicaps and hazards on the congested highways in the State, and to provide for the construction of modern express highways embodying every known safety device including center divisions, ample shoulder widths, long sight distances, multiple lanes in each direction and grade separations at all intersections with other highways and railroads."

The Act establishes the New Jersey Turnpike Authority as an instrumentality of the State exercising public and essential governmental functions, to "construct, maintain, repair and operate turnpike projects at such locations as

shall be established by law, and to issue Turnpike revenue bonds of the Authority, payable solely from tolls, other revenues, and proceeds of such bonds to finance such projects." Such bonds "shall not be deemed to constitute a debt or liability of the State or of any political subdivision thereof or a pledge of the faith and credit of the State or of any such political subdivision."

The urgent need for the Turnpike is predicated on the "corridor" nature of New Jersey for interstate vehicular traffic, causing a transportation problem that is without parallel in the United States.

New Jersey's Problem -- A "Corridor"

New Jersey ranks 45th in size in the United States; it is second in density of population; and it is sixth as an industrial producer. The State forms part of a group of northeastern states containing 35 percent of all industry in the nation. It forms part of the New York-Philadelphia metropolitan areas which contain about 16,000,000 people, or 10 percent of the population of the entire country. Practically all highway traffic between the great seaports of New York and Philadelphia, the first and third largest cities in the United States, passes through New Jersey, as

well as practically all highway traffic from eastern New York and New England.

The highway problem in New Jersey became acute shortly after World War I, when an ambitious program was initiated which included the construction of the Pulaski Skyway, the covered cut in Jersey City, approach highways to Philadelphia and the George Washington Bridge, the construction of U.S. Route No. 1 from the Holland Tunnel to Trenton, and a substantial portion of the total dual highway mileage in the United States.

By the early 30's, the State had almost caught up with traffic requirements so far as capacity was concerned. When the depression set in, highway construction was curtailed. This curtailment lasted through World War II, piling up about a 20 year backlog of highway improvements. Meanwhile, traffic continued to increase and since 1940, it has gained from 50 to 60 percent. The result is that the State's highways are required to carry more traffic than they were designed for -- in some cases double the capacity that might be considered reasonable.

Highway Survey in 1946

The State Highway Department made a comprehensive survey of minimum highway needs to provide

for the then existing traffic. This survey disclosed an immediate need for \$600 millions to relieve the intolerable congestion. Several plans were developed to finance highway construction, including an increase in gasoline taxes, a bond issue, and/or a combination of both methods. These plans were found to be politically impracticable and had to be abandoned.

Early in 1948 Governor Alfred E. Driscoll presented, to a special session of the State Legislature, a proposal to create the New Jersey Turnpike Authority to finance urgent trunk roads by the sale of revenue bonds to private investors. This proposal was passed and became law in October, 1948. Subsequent amendments outlined the general route for the first Turnpike, and clarified financial and other sections pertaining to real estate for the right-of-way; provided for certain extensions and for the study of an East-West Turnpike.

The Governor appointed three outstanding business men as Authority Commissioners as follows:

Paul L. Troast, of Passaic, president of Mahony-Troast Construction Co., to become chairman;

Maxwell Lester, Jr., former Mayor of Summit and a broker as treasurer, and

Joseph Morecraft, Jr., of Dunellen, New Jersey, appointed August 2, 1954, to succeed George F. Smith, president of Johnson & Johnson, who, after serving his full term of 5 years and several months, resigned July 29, 1954.

In April, 1949, the Commissioners sent invitations to consulting engineers to prepare engineering and traffic revenue studies of the initial 118-mile project. In the following month (May, 1949) the engineering firms listed below were selected and ordered to submit reports in the record time of 120 days, (September 15, 1949) which schedule was met:

Ammann & Whitney)	
Edwards & Kelcey)	Associated
Frederic R. Harris, Inc.)		
O.J. Porter & Co.)	

De Leuw, Cather & Co.

Coverdale & Colpitts

Howard, Needles, Tammen & Bergendoff

Surveys Indicate Project "Self Supporting"

The preliminary conclusions of the engineers indicated that the 118-mile Turnpike could be financed as a self-supporting project. The recommended alignment was from the Delaware Memorial Bridge to U.S. Route 46 in Ridgefield Park, near the George Washington Bridge.

Following the receipt of the preliminary

engineers' reports, negotiations were begun immediately for the selection of consulting firms of national reputation for the final alignment; preparation of contract plans and specifications; property maps and, for the supervision of construction.

The Turnpike was divided into seven sections and eight engineering firms were selected. On September 21 and 22, these firms were notified to begin work immediately. Their names follow:

Ammann & Whitney

Fay, Spofford & Thorndike

Gannett, Fleming, Corddry & Carpenter, Inc

J E Greiner Company

Howard, Needles, Tammen & Bergendoff

Parsons, Brinckerhoff, Hall & MacDonald

De Leuw, Cather & Company

Frederic R. Harris, Inc)	
Edwards & Kelcey)	Associated
O. J. Porter & Company)	Engineers

Fellheimer & Wagner were the architectural consultants and A. Gordon Lorimer, Architects, engaged by the general consultants -- Howard, Needles, Tammen & Bergendoff.

Financing the Turnpike

The Commissioners explored all sources of capital funds to finance the 118-mile Turnpike;

namely, banks and trust companies, insurance companies, investment bankers and the Reconstruction Finance Corporation.

The preliminary engineering reports indicated that overall financing of \$230 millions would be required. On the plan finally adopted, however, which provided for the issuance of bonds as construction progressed, and which plan effected savings of more than \$12,000,000 in financing and interest costs during the period of construction, the initial overall needs were provided in an amount of \$220 millions. Financing was concluded in mid-February, 1950, with a group of 52 private investors, most of them insurance companies. More than half the financing was subscribed by New Jersey institutions.

The plan adopted was on a "forward commitment" basis. It provided a call on the full \$220 millions for which the Authority paid a nominal fee of $1/2$ of 1 percent annually. As funds were required, drafts were made against the "commitment" and definitive bonds, bearing $3-1/4$ percent interest annually, were issued for the amount borrowed. The bonds mature in 35 years in accordance with the terms of the Act but traffic experience since opening indicates that they will be

paid off before that period. When the bonds are fully amortized, the law requires that the highway be turned over to the State Highway Department for inclusion in the State public highway system. Because of the Korean and international situations, and design changes in actual construction, an additional \$35,000,000 of bonds bearing interest at 3.20% annually was sold in October, 1951, to complete the Turnpike. To provide a minimum of needed improvements to handle the abnormally large volume of traffic using the Turnpike immediately after opening, and for other purposes, an additional \$30,000,000 of 1-7/8%, five-year bonds, were sold on December 1, 1952, and these latter bonds were redeemed in November, 1953, in connection with the financing of \$150,000,000 in 3-3/8% 35-year bonds sold to pay largely for the construction of the Newark Bay-Hudson County Extension. Early in 1954 an issue of \$27,200,000 of 3% 35-year bonds was sold to finance a direct connection of the Turnpike with the Pennsylvania Turnpike, and in March, 1955, an issue of \$34,000,000 of 2.8% bonds, due 1988, to finance the widening of 61 miles of four-lane sections to six lanes between the George Washington Bridge Interchange and the Camden-Philadelphia Interchange. Comple-

tion of the widening will result in 83 miles of Turnpike with six or eight lanes.

Engineering Features

The 118-mile New Jersey Turnpike is a divided highway without grade crossings. Sight distances are long and curves easy. There are no red lights and no left turns.

It is a controlled access highway throughout with 17 interchanges, including those at the terminals. Acceleration and deceleration lanes are 1,200 feet long at interchanges and at service areas to assure additional safety in merging with traffic on the Turnpike or to reduce to a reasonable speed when leaving the Turnpike to merge with urban or rural traffic.

Service areas for the convenience and comfort of Turnpike users have been constructed by the Authority. These are designed as an integral part of the geometrics of the highway and with particular emphasis on pleasing appearance. These areas comprise service stations for the sale of gasoline, motor oils, accessories and for minor repairs, and lunchrooms and restaurants to serve "snacks" or full course meals.

1. Length

118 miles

2. Width of right-of-way

Generally 250 feet in north, and
300 feet in south.

3. Design speed:

a. 75 MPH from Delaware Memorial Bridge
to Bonhamtown

b. 70 MPH from Bonhamtown to George
Washington Bridge, except on Hack-
ensack and Passaic River Bridges
where vertical sight distance will
govern at 60 MPH

Alignment:

1. 75 MPH, minimum radius 5,000'
2. 70 & 60 MPH, minimum radius 3,000'.
Generally will be 10,000' radius minimum
with some curves up to 100,000' radius.
3. Minimum length of horizontal curve 600'.
4. Minimum desirable distance between re-
versed curves: rural 1,000'; urban 800'.
5. Minimum desirable distance between same
direction curves, 2,500'.

Grades:

1. Maximum 3% on Turnpike. Generally,
however, grades are flat, 0 5%, 1%
and 2%.
2. Minimum length of vertical curves 600'
except when algebraic difference is less
than 2%.
3. Desirable minimum length of profile
tangent 1000'.

Sight Distance, Non-Passing:

1. Daylight, 4-1/2' to 4" object.
 - a. 75 MPH, 700'.
 - b. 70 MPH, 600'.

- c 60 MPH, 475'.
- 2. Headlamp (Night Sight):
 - a 75 MPH, desirable 1000'.
 - b 70 MPH, desirable 1000'.
 - c. 60 MPH, desirable 800'.

Bridge Clearance Over Turnpike, 15 feet.

- 1 Number of structures, 263.
 - a. 38 box culverts.
 - b. 31 stream crossings.
 - c. 194 railroad and highway crossings.

Right-of-Way (desirable minimum):

- 1 Delaware Memorial Bridge to vicinity Raritan River, 300'.
- 2. North of Raritan, 250' except in heavily built areas (Elizabeth).

Traffic lanes -- 12 feet wide:

- 1. Delaware Memorial Bridge to Camden-Philadelphia interchange, initial and ultimate 4 lanes.
- 2. Camden-Philadelphia to Route 35 interchange:
 - a. Initial, 4 lanes
 - b. Ultimate, 6 lanes.
- 3. Route 35 to Route 3 (Lincoln Tunnel)
 - a. Initial, 6 lanes.
 - b. Ultimate, 8 lanes, dual-dual.

4. Route 3 to Route 6:
 - a. Initial, 4 lanes.
 - b. Ultimate, 6 lanes.

Width of Median (Between inner edges of pavement)

1. Delaware Memorial Bridge to Route 4 Parkway, 26 feet.
2. Route 4 Parkway to Morse's Creek, Linden, variable but generally 94 feet.
3. From Morse's Creek to Route 6, 20 feet except in Elizabeth where it will be 18 feet.
4. Major bridges, 6 feet on Passaic and Hackensack; 10 feet on Raritan River and 16 feet on Rancocas Creek.

Shoulders:

- 1 Outer shoulders, 10 feet completely stabilized.
2. Inner shoulders, minimum 5 feet completely stabilized.

Contracts Awarded

As of December 31, 1954, the estimated cost of construction of the Turnpike was \$270,662,000 which includes miscellaneous contracts covering such items as traffic aids, communications, safety devices, interchange lighting and equipment, landscaping deemed essential and maintenance equipment,

reimbursement to the State of New Jersey for Route 100, cost of real estate, engineering, administration and legal costs, but excluding interest and other financing costs.

Materials Quantities

Total earthwork (excavation and fill)	51,800,000 cu.yds.
Rock excavation	188,000 cu.yds.
Asphaltic concrete (paving)	4,430,000 sq.yds.
Asphaltic concrete (shoulders)	2,400,000 sq.yds.
Concrete for paving	118,000 sq.yds.
Concrete in structures	530,000 cu.yds.
Total steel	191,200 tons
Reinforcing steel	30,260 tons
Steel piles and pile casings	36,840 tons
Castings, Railings, etc	13,620 tons
Guard Rail, Right-of-Way fence	5,200 tons
Piles, (Concrete, Steel and Timber)	1,884,000 feet
Sand Drains	5,390,000 feet
Topsoil and seeding	11,000,000 sq.yds.

Turnpike Opens to Traffic

The steadily increasing volume of traffic on the State's highways, together with the large volumes of traffic pouring into southern New Jersey since the opening of the Delaware Memorial Bridge (August 16, 1951) pointed up the wisdom

of the Commissioners in speeding the opening up of the southern 53 miles of the Turnpike from Deepwater to Bordentown on November 5, 1951, three weeks before the scheduled date. On November 30, 1951, an additional 40 miles from Bordentown to Woodbridge were opened; 16 more miles from Woodbridge to Newark on December 12 and the final 9 miles from Newark to Ridgefield Park on January 15, 1952.

Operations

Since the opening of the first section in the south, both traffic and revenues have been far in excess of those estimated by the engineers in their preliminary surveys to determine the financial feasibility of this project.

For 1954 the Turnpike carried 24,555,441 revenue vehicles, almost 2-1/2 times the volume (10,100,000 vehicles) which the independent traffic and revenue engineers predicted for that year. The daily average volume was 67,275 vehicles compared to the engineers' estimate of 27,700 daily. The volume in 1954 was that which the engineers estimated to be on the Turnpike in 1981, or 27 years later. Revenues from tolls, concessions, etc., in 1954, likewise, were about 2-1/2 times the engineers' estimates, totalling \$23,217,762. The average revenue per vehicle

in 1954 equalled 84.5 cents.

Expansion

This abnormally heavy traffic has made necessary the expansion of certain facilities such as toll lanes with toll booths and equipment, and concession areas. Widening of the four-lane sections to six lanes between the George Washington Bridge and Camden-Philadelphia interchanges is under way.

Good Safety Record

The safety record of the Turnpike during its third year of operation was better than that on the State's parallel highways and on the nation's highways as a whole. Accidents on the Turnpike in 1954 were equal to 59.2 for each 100 million miles of vehicular travel, a reduction of 13.3% compared to 1953. This is the standard of calculation used for years by the federal and state governments and by the National Safety Council to place all highways on a truly comparable basis regardless of length or areas traversed. This 59.2 figure was less than one-seventh the rate for the parallel highways (Routes 1 and 130) in New Jersey and less than one-fifth the rate for all highways and streets in New Jersey.

There were 18 fatal accidents on the Turnpike

in 1954, resulting in death to 23 persons, equalling a rate of 2.47 per 100 million miles and compared to 6.5 on the national highways.

During 1954 there was a reduction of 30.7% in fatal accidents and 36.1% in fatalities resulting from those accidents. The fatality rate on the Turnpike ranks with three States and the District of Columbia which have the lowest fatality rates in the nation.

An analysis of the fatalities shows that ten, or 43.4% involved single vehicles and the remainder principally collision in the same direction when drivers were fatigued or apparently were careless or inattentive. Engineering, in its most modern application, cannot control carelessness, recklessness or inattention."

MR. TONTI: They are making a study of it now to determine the feasibility of extending this parkway further north, to connect up with the New York thruway, and they are also making a study as to whether our extension of the parkway, where it ends now at Route 17 in Bergen will come north to connect with the New York thruway, where a new bridge is being completed.

On Thursday morning, at 10:00 o'clock, we

will know whether they think this extension is feasible. That study has been going on for about 5 months.

THE CHAIRMAN: Mr. Tallamy is rather interested in seeing the Province of Ontario build a thruway from Fort Erie to Windsor, which would tie you people in with the Detroit area.

MR. TONTI: That is the logical route. It will go through Windsor?

THE CHAIRMAN: Yes, and come across southern Ontario. It is a direct route.

MR. AULD: The more you connect up, the better it is.

MR. GIFFIN: We are already connected with the turnpike, so it is completed at the northern end of our parkway, and they can pick up the turnpike at Woodbridge, and go over the Pennsylvania and Ohio turnpikes, and the Indiana turnpike, to reach Chicago.

MR. YAREMKO, Q.C.: Is there any possibility of people using this parkway who go south, to go so far, and then drop off?

MR. TONTI: The best practice is to cut off here (indicating) and go on to the turnpike, and go on to Philadelphia or Washington, D.C.

Right now there is a study going on, studying the feasibility of a ferry service connecting up the south end of our parkway at Point Delaware, and

then going on down to Florida.

Our parkway would be one of the main links in the route from the State of Maine to Florida.

There was a dim view taken as to whether that would happen very soon, because there are many areas between Maine and Florida which are not feasible for toll roads, but it was pointed out there was an important link already established.

MR. AULD: Would it be fair to say that the reason this is a toll facility, was the experience with those who had freeways, that it would take a very long time to build it as a freeway?

MR. TONTI: That is a very fair statement. The estimate was proceeding on that basis, judging from the unavailability of funds to set it up, and that it would take approximately 30 years before this parkway would be completed on that basis.

MR. AULD: May I ask another question? In the State of New Jersey you have the figures that all the revenue derived from motor vehicle users, registrations and gasoline tax; is it now, and has it been for some time all used for highway purposes, or does it go into the general revenue fund?

MR. TONTI: Into the general revenue fund.

MR. McGUIRE: It was supposed to be a dedicated fund.

MR. MacDONALD: Are your highway expenditures above that revenue?

MR. TONTI: No, well below it.

MR. GIFFIN: If you take every town and city, it might approach it, but on a state level, it is way below.

The budget for the State Highway Department is \$30 million, including Federal aid. I think \$23 million really constitutes New Jersey money.

MR. AULD: Does that State budget include that aid to the good roads' system, and so on, or does the State subsidize local roads?

MR. TONTI: It comes out of that budget.

MR. AULD: The total amount out of the gasoline tax, which is kept by the State, would be about \$20 million?

MR. TONTI: Yes, that is not the total amount received from revenue.

MR. McGUIRE: The license fees would add another \$30 million or \$35 million.

MR. LEVY: Highway fund diversion has been a constant cry in political campaigns. They have been accused of diverting the funds.

MR. MacDONALD: What is the population of New Jersey?

MR. TONTI: About 5-1/4 million.

MR. MacDONALD: And what is the over-all budget?

MR. TONTI: About \$230 million.

MR. MacDONALD: How did you "get away" with spending so little on highways?

MR. ROOT: How many miles of highways do you maintain?

MR. GIFFIN: The state highways are about 2,000 miles.

MR. ROOT: You have municipal roads as well?

MR. GIFFIN: Yes, municipal roads and township roads, and the state does contribute toward the construction and maintenance of those roads.

MR. ROOT: What is the percentage?

MR. GIFFIN: It is variable. There are a couple of different funds. It is done by formula, as to the way it will be spent.

MR. VOLKES: There are 21 counties in the State of New Jersey, and the state aid to municipalities is \$ 1,050,000 to each of the counties.

MR. JOLLEY: How many counties?

MR. VOLKES: 21.

MR. ROOT: Do you mean that the state aid matches their municipal revenue?

MR. VOLKES: No. The state aid gives to municipalities \$2,100,000, one-half to the county,

and one-half to the municipalities within the county.

MR. AULD: That is the total?

MR. TONTI: Yes, but obviously the counties spend collectively a great deal more.

MR. VOLKES: The \$1,050,000 the counties get from the state would not represent more than 90% or so. They must spend a minimum of 10%; in most cases they spend far more than that before they get that figure.

MR. YAREMKO, Q.C.: It seems to me about a month or so ago there was a panel discussion on political issues.

MR. TONTI: In New Jersey?

MR. YAREMKO, Q.C.: I think so. They were discussing freeways. There were two legislators there and - not a "reeve"; they call him by a different name, but he was some municipal officer.

MR. LEVY: Was that not in regard to state aid to schools?

MR. YAREMKO, Q.C.: No, it had something to do with the allocation of highway funds.

MR. GIFFIN: They have another fund which is called the "dirt road fund", which is on the basis of population and area and post roads. It is rather complicated.

There are three or four formulae in regard

to the Federal aid to states, and the states have their own formula for distribution to municipalities and counties.

MR. AULD: No Federal aid to the counties in this state?

MR. GIFFIN: No.

MR. ROOT: When you took the referendum, all parts of the state voted in favour of this project?

MR. GIFFIN: Whether every individual part did, I do not know.

MR. ROOT: But the counties?

MR. LEVY: There was a favourable vote in every county. I think 21 counties favoured it.

MR. TONTI: The reason we raised the question is because there are some counties far removed.

MR. ROOT: But they were in favour of it?

MR. TONTI: Mr. Levy was the State House correspondent at that time, and if he says "21 counties" that is correct. If you are keenly interested in that, I think we can get a copy of the break-down of that vote.

MR. GIFFIN: The parkway goes through 10 out of the 21 counties.

MR. ROOT: Some of us might be living in a county which does not have a toll road. But the people benefit indirectly from good roads.

MR. TONTI: It is somewhat axiomatic to think that counties right across the state were all favourably inclined. Sometimes they might oppose it rather vigorously. They might take the opposite view.

MR. ROOT: I am curious about where this vote developed. Was it along the roads back in the counties, or was it a general acceptance?

MR. MacDONALD: It was a remarkably general acceptance, if 11 counties were not immediately involved, and yet you had a majority in each one.

MR. SANDERCOCK: The people living back in the counties would know they would have to pay their share, if it was a toll road.

MR. GIFFIN: If there was \$300 million spent on the toll road, there would be more state highway money spent in other counties. The counties through which this road passes would get less for state highway construction than in other counties. You are adding \$300 million to toll-road expenditures.

MR. TONTI: Just before this referendum was held, I guess you realize there was a public-relations firm hired to do a great deal of propoganda work, and many powerful civic organizations were impressed with one common objective, to go out and send speakers to all other groups all over the state, and they went up and down the state talking about the benefit of the

parkway.

Then followed the vote. It was not automatic nor incidental. It was done by a careful, pre-meditated program of selling the public.

MR. ROOT: Has there been a state election since, and if so, are they still satisfied?

MR. TONTI: The issue never came up again.

MR. ROOT: Then if nobody made an issue of it, everybody must be happy.

MR. TONTI: Yes.

MR. MANLEY: Was the referendum held at the time of the state election?

MR. TONTI: Yes, at the regular election in November.

THE CHAIRMAN: We have no constitutional set-up for a referendum.

MR. AULD: When the thing gets to that point, one party or the other opposes it.

MR. MacDONALD: I doubt if there is a constitutional barrier to it; it just never was done.

MR. TONTI: Then it can only be done by an Act of the legislature?

MR. JOLLEY: The government assumes responsibility for making a decision which they think will be favourable to the people.

MR. TONTI: And if it is favourable, the

people will vote for it.

As a matter of fact, even here in our country it is a good thing. We had actually arranged a test case, but it was a friendly action, to get a court's decision on the validity of the Act. Of course it was valid, and then we proceeded.

MR. JOLLEY: In reference to this toll road; some people in some counties might not feel very happy, and one of the reasons for people not wanting it, might be that the traffic would be going away from the little stores.

MR. TONTI: That has come up. It is not so much they are against it; they thought that we should put it in somebody else's back yard.

MR. JOLLEY: You would be more likely to get a more favourable vote away from the area where it is going, than in the other areas?

MR. TONTI: That is possible.

MR. YAREMKO, Q.C.: There has never been a road which has not increased the value of the land it has gone through.

MR. TONTI: We acquired 8,000 parcels of land to build this road, and we are still in litigation and negotiation.

In this area here (indicating) from our own real estate figures, the acreage has gone up four times -

has quadrupled in value.

In other areas it has done even better than that. There was a piece of land here (indicating), and they had put a minimum figure on it, but they could not buy it. It was sold about 5 months ago, and sold at a very increased figure. We are still wanting it, and actually it may be that our figure will have to be qualified in some respect.

MR. GIFFIN: We started in the summer of 1952, and at the end of 3 years, or a little less, we had the parkway built, except the one part of the road in Cape May County. We had to postpone that on account of finances, and we could not build it because we encountered some difficulties, and we just opened that yesterday.

We will have a bridge across the river between the two counties there, which we are building. We had to postpone that and delay the bridge on account of finances, but we will have it ready by next June.

So it has been about a 3-year construction period, except for the part which was delayed.

MR. SANDERCOCK: You could not have had much shortage of building materials.

MR. GIFFIN: When we started, we did not know where we would get steel. We were in a period of the allocation of steel, but we made a contract with two

large steel companies, one to furnish the steel for this point (indicating) north, and the other from this point (indicating) south, on a negotiated basis. We thought we would get in on the ground floor and get our steel more rapidly, and we were fairly successful in that.

MR. MANLEY: Did the legislature set up the standard for your parkway?

MR. GIFFIN: No. They did mention in the preamble that they wanted a safe highway, and a divided roadway, and the grades separated, and easy-access roads, and things of that kind. It was not a requirement, but sort of a reason for the legislation.

THE CHAIRMAN: Your Commission is a 3-man Commission?

MR. GIFFIN: Yes.

THE CHAIRMAN: Are they appointed by the Governor?

MR. TONTI: Yes, and approved by the Senate and the legislature. They are appointed for staggered terms of 9 years, so that every 3 years we have a new commissioner.

MR. JOLLEY: The first 3 commissioners were for 3, 6 and 9 years?

MR. TONTI: Yes.

MR. LEVY: This (indicating) is the vote on

the referendum, and I am a little embarrassed, as I was confusing it with the bond issue for certain institutions.

The total vote throughout the state was 908,142 for the proposal on the question of guaranteeing the bonds; it was not on the bond issue.

There were 505,031 against it.

For example, this county of Burlington opposed it.

MR. TONTI: That is the county way down here (indicating). We go through just the top end of it.

MR. LEVY: In Camden they opposed it. All the counties along the parkway favoured it. Cape May, Atlantic, and Ocean counties were 3 to 1. Those are the largest counties we have.

MR. YAREMKO, Q.C.: Was the argument put forth prior to the referendum that if the state had not guaranteed the bonds, perhaps the bond issue would not have been successful, therefore, the parkway would not have been built, except in the way it was already being built?

MR. GIFFIN: That was the implication.

MR. McGUIRE: We had two Acts; one authorizing the construction of the parkway by the Parkway Authority, and the second Act which permitted for

guaranteeing the bonds, if the voters approved.

It was put to them in this way, that they could save from \$60 million to \$80 million as a result of the state backing.

MR. GIFFIN: It was put to them to some extent, because they were told they would not get the parkway unless it went through. It was put through, 3 to 1.

\$80 million will build a lot of highway.

MR. ROOT: Your largest majorities were where the road was free?

MR. GIFFIN: That is right.

MR. MacDONALD: And also made up by people who use it exclusively?

MR. GIFFIN: That is right, and who paid for more than one-half of it.

MR. YAREMKO, Q.C.: I am getting the impression that your parkway had a great deal more discussion pro and con than some of the turnpikes?

MR. GIFFIN: It did.

MR. YAREMKO, Q.C.: In New York, the turnpike seems to have approval 4 to 1, but they did not seem to have all the issues raised you have had regarding the parkway.

When the New Jersey turnpike was being put through --

MR. GIFFIN: There was no referendum. They passed the legislation, and went ahead with it. It was completely revenue bonds, and there were no state-guaranteed bonds of any kind, nor a question of turnpike bonds.

MR. AULD: Do you know at what rate the money was secured?

MR. McGUIRE: There were two of them, one was at 3 20%, and the other was 3-1/4%. But the market was different back in 1950.

MR. TONTI: The Authority as you realize, is a separate entity when the turnpike was created. There was some relationship, but when they were set up, their freedom of movement stemmed from the fact that their bonds were not state backed, and it is still that way. It is strictly a revenue proposition.

THE CHAIRMAN: You may not want to answer this question, but are you subject to political interference in your management?

MR. TONTI: No, very little. I think both Authorities have been remarkably removed from political influence. Otherwise, we would not have the men on the staff we have.

It is axiomatic that if there was political interference, we would get the type of personnel who could not carry on a project of this kind.

MR. YAREMKO, Q.C.: The parkway was being projected and was being built, and possibly about \$7 million was taken of state funds --

MR. VOLKES: It was called "the Route 4 Parkway".

MR. YAREMKO, Q.C.: In the next 30 years, your people will have paid for a parkway, except they have paid \$7 million or more --

MR. GIFFIN: Yes.

MR. YAREMKO, Q.C.: Supposing the state did have to "come through" on its guarantee; all it would have done would have speeded up the time, the money would have come out of the pockets of the people. In the meantime, they have the parkway.

MR. TONTI: Exactly. Also another great benefit is that these areas are enjoying such economic development, that all areas of the state cannot help but benefit from it. That is the situation here.

Furthermore the Housing Development Act will naturally have an effect on the economic atmosphere of this area. There will be more taxes, more automobiles, more fuel, with the fuel tax, and so on, flowing from a parkway of this nature, so, therefore, the whole economic welfare of the state is affected. It is just the same as automobiles. We buy them, and pay for them while using them.

We are not tapping the state funds, but the state treasury is benefitted for all the reasons I have stated.

THE CHAIRMAN: And the funds are sufficient for normal operation?

MR. GIFFIN: Yes. The gasoline tax from "out-of-staters" goes into our treasury in the State Capitol. There are some real subsidiary benefits here which enhance the economic nature of the state, as a whole.

MR. AULD: Would it be a fair question to ask if in your experience what would have happened if you had had no state guarantee on any of your bonds?

MR. TONTI: I would like to make one comment, and then ask Mr. McGuire how he feels about it.

If there were no state guaranteed bonds, the parkway would have been ended right at Toms River.

MR. GIFFIN: The probabilities are there would have had to be a change in legislation, had the referendum failed. Because the deal was on to get the free sections for Ocean County, and they had to "put the referendum over".

MR. TONTI: I would ask Mr. McGuire, if he wants to comment on that.

MR. MCGUIRE: Well, I think you have answered it for me. You are concerned with the state officials?

THE CHAIRMAN: Yes.

MR. McGUIRE: We have not had any trouble, but what we had was worth it, from what we saved.

MR. MacDONALD: \$80 million is worth a lot of trouble.

MR. McGUIRE: The state treasury, through the government, had to approve the bond issue. They are also interested, naturally, in the operation of the project because there is a contingent liability on the part of the state if we do not produce.

But, in my opinion, the state backing is worth it. You can realize the amount of trouble we might have if we did not have the right type of bond issues.

MR. VOLKES: The extension to the New York line would have to be with the approval of the Administration.

MR. JOLLEY: You do not have to pay too much for your "C" issue?

MR. McGUIRE: No. The revenue bonds delayed to agree with the "A's" and "B's", which come due each year.

MR. VOLKES: I think what this Committee would be particularly interested in would be the question asked by Mr. Robarts, which I did not answer, "was the legislation which sets up the parkway,

and not saying what it is supposed to do, not like the Port of New York Authority which permits them to do certain things".

MR. TONTI: I guess our Act is pretty broad. There are many things which can be carried on. We operate restaurants and gasoline stations and so on, and also land for developing recreational areas, and providing such things as swimming pools, horseback riding areas, and we can put hotels or motels on the parkway if we want to, as it gives us the latitude to do things which would devolve to the benefit of the people from the operation of this toll road.

MR. VOLKES: It is only in connection with the parkway itself.

THE CHAIRMAN: You cannot go out and build another one?

MR. TONTI: Oh, yes.

MR. JOLLEY: If somebody said "we need a third one", would you have to go back to the legislature?

MR. TONTI: No. Many roads are feeder roads between the freeway and this parkway.

MR. JOLLEY: You are able to go ahead with them, without any further legislation?

MR. TONTI: Yes For instance, if it was decided this road was feasible from here (indicating)

to Camden west, we could go ahead, without any further legislation.

Anything above 6 miles, they allow the charging of tolls. There is no restriction on the districts, as long as it is indicated the parkway would feed in that direction.

That was an amendment put in to enable us to make the connection with the New York Thruway.

But it was pointed out, that it was so broad that we could put this road from Atlantic City to Camden, about 60 miles.

The Turnpike Act is not that broad. As a matter of fact, the turnpike has to get legislation for most of its extensions, and in addition thereafter, the approval by the highway commissioners.

MR. MacDONALD: You can build a feeder road for 6 miles, and not charge a toll?

MR. TONTI: No There is a provision that if we build feeder roads we cannot charge a toll, if such a feeder is less than 6 miles. Incidentally, the one which we contemplate is 9 miles, so we can charge a toll.

MR. VOLKES: The point I wanted to get at was that anything that is done by the Authority, must be done in connection with the parkway?

MR. TONTI: Yes; it must be related to it.

MR. VOLKES: You cannot have a parking lot, for instance, unless it is in conjunction with the parkway?

MR. TONTI: That is right.

THE CHAIRMAN: There is no control over the tolls you can set?

MR. GIFFIN: We did set the tolls, and then we referred it to our traffic engineers.

We do set these tolls we think are feasible, and the Authority has the right to set its own tolls, which the courts would consider reasonable, and within the limitations of the bond debentures.

MR. McGUIRE: Of course, there is a minimum toll we agreed with the bond holders we should charge which would enable us to produce 100% service. We are obligated to adopt a toll schedule which would yield that much revenue.

MR. TONTI: Therefore, is it not true that if we wanted to change our toll structure, we can only do so after the engineers studying it certify that such a change will not impair that obligation?

MR. GIFFIN: Yes, that is right.

THE CHAIRMAN: It has nothing to do with the state or the government?

MR. TONTI: That is right. I wanted to see that you were fully answered on that.

MR. SANDERCOCK: In years to come, after the bonds are paid off, do you intend to reduce your rates on the road?

MR. TONTI: We have not given that much thought.

MR. GIFFIN: That section of the Act requires a little clarification, too.

MR. TONTI: It is a fact.

MR. YAREMKO, Q.C.: Those sections are very handy. They are not just there.

MR. GIFFIN: We do not need it right now.

MR. TONTI: The maintenance cost would be simple, if the road was paid for. You can move all the toll collectors, and just provide for maintenance, and it would be easy to come down on the tolls. It would be easy to collect \$1-1/2 million with a 5¢ toll.

I think we are getting into a situation where there is such a desperate need for improved highways that Authorities, such as ours, and sister Authorities will inevitably be called upon to do something with their excess revenue, and use it to build up the highways.

MR. AULD: Instead of selling new bonds?

MR. TONTI: Yes. They are going higher, and unless we develop new tax sources, they will have to

look elsewhere, and probably will look to the Authority.

THE CHAIRMAN: It seems to me a very good business arrangement for building a highway.

MR. GIFFIN: An interesting thing happened on our parkway, about which you should know.

We had one four-lane road in this section 5 to 6 (indicating), but it was not adequate, and we needed a six-lane road instead of a four. So we went to the State Highway Commission, and we said, "look, we cannot touch that legally; you can".

So we arranged to pledge our excess revenue, when it developed to an amount equal to one-half of the cost of making that into a six-lane highway.

He took the figures of \$900,000 and went to the Federal Government, and got them to meet it, and by doing that, he got \$1,800,000 to go ahead and complete the six-lane highway. He just did that a few months ago.

In the future Mr McGuire will turn the \$900,000 over to the Highway Department, so the thing will actually be done for nothing.

That may be for the future, where excess revenue may be used very efficiently, where you can get two dollars for one.

That is fine in states like New Jersey and New York, where they have not been able to pick up

all of their Federal grants. They have not been able to locate sufficient money to pick up the Federal grants. I give you this, to show the technique for picking up Federal money.

MR. MacDONALD: Our Federal Government would toss us out on our ears. We do not get it picked up matching once, and I doubt if we would get it picked up matching twice.

THE CHAIRMAN: It is not matching the same money. It is money which would have been matched anyway. But it is certainly a helpful way of bringing in roads.

MR. ROOT: I notice that parts are built with concrete, and parts with other materials. What is the reason?

MR. GIFFIN: The state Highway Department built their section with concrete, and the Authority built theirs with bituminous.

MR. ROOT: Do you think it is better?

MR. GIFFIN: It is cheaper. Some say it is better; some say it is not.

MR. TONTI: The cement people are absolutely sure the concrete is better, but actually the engineers here have a great difference of opinion on it, but when it makes a difference of \$30,000 per mile --

MR. GIFFIN: You can build a good road out of

we were.

We want you to keep in mind if any questions arise after you leave our state or Nation, do not hesitate to contact us by mail or telephone, and if we do not know the answers, we will find them for you, and we will be most happy to help out.

THE CHAIRMAN: Thank you very much indeed.

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---Whereupon at 5:30 o'clock p.m., the further proceedings of this Committee adjourned until Wednesday, October 19th, 1955, to reconvene in the City of New York.

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